

CRA & FAIR LENDING COLLOQUIUM: JOIN CCM FOR A RECEPTION ON NOVEMBER 15

We are excited to once again be a sponsor at this year's CRA & Fair Lending Colloquium, which takes place at the JW Marriott in Austin, Texas, from November 12 – 15. The CRA & Fair Lending Colloquium is the financial industry's largest conference focused exclusively on regulatory trends and oversight measures in CRA, Home Mortgage Disclosure Act (HMDA), and fair lending compliance. The conference is attended by over 800 compliance professionals from large and small banks, regulators, legal professionals, and community advocacy groups.

For those attending, we are hosting a Taco Tuesday cocktail reception on Tuesday, November 14, from 5:30 to 7:30 p.m. at Punch Bowl Austin. Punch Bowl is walking distance from the JW Marriott, and we will have an area reserved for tacos, drinks, and games. We hope you can join us and look forward to seeing you at the conference. [To RSVP for our CCM hosted cocktail reception \(which is not part of the Colloquium agenda\), please email Jamie Horwitz at \[jhorwitz@ccminvests.com\]\(mailto:jhorwitz@ccminvests.com\).](#)

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CRA VIDEO

Watch our new two-minute [video](#) on the CCM Community Impact Bond Fund CRA Share Class (ticker: CRAIX). The video explains how the Fund works with banks and its goal of receiving positive Community Reinvestment Act (CRA) consideration on the CRA investment test exam.



A CONVERSATION WITH KAREN TUCKER CRA EXPERT



KAREN TUCKER

Retired National Bank Examiner
CRA Consultant

Karen Tucker is an expert on the Community Reinvestment Act. After completing a 31-year career with the Office of the Comptroller of the Currency (OCC), she shifted to CRA consulting. We spoke to Karen about what is happening in the world of the CRA and what she sees for its future.

Can you share a quick overview of your experience with the CRA?

I served the OCC as a commissioned National Bank Examiner and CRA expert for many years where I represented the OCC on various interagency committees and working groups that wrote interagency procedures, official guidance, Q&As, and handbooks. I have authored articles and spoken at industry conferences on the CRA. Now, my consulting practice focuses on CRA-related issues for clients

such as Community Development Financial Institution's (CDFI), investment funds, and banks.

In May 2022, the OCC, Federal Deposit Insurance Corporation (FDIC), and Federal Reserve Board (FRB) jointly issued a Notice of Proposed Rulemaking (NPR) to modernize and update the CRA rule. It is a big, complicated proposal. If the rule is finalized as proposed, what do you see as the biggest changes from the way CRA is evaluated under the current rule?

As you know, it is a complicated proposal. And not all the proposed changes were well received. Here are aspects to focus on that I believe will have the most significant impact:

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- Expanded assessment areas for large banks based on retail loan location instead of deposits. These controversial changes would expand CRA data reporting and performance reviews.
- Required more data collection/reporting. For example, large banks would report deposit data, digital delivery, and more; large and intermediate banks would report community development (CD) financing data and data related to retail services and products.
- Changed definitions of bank types. I estimate that more than 750 banks would shift from intermediate to small banks, which would mean a significant reduction in CD dollars to many assessment areas.
- Expanded definition of CD. By codifying many elements of the current Q&A, clarity is improved, and it could incentivize banks to expand the types of CD activities they engage in.
- Changed the definitions of small business to align with the Consumer Financial Protection Bureau's (CFPB) small business definition in its 1071 rule, which means there could be more small business loans compared to the current rule because a small business would include gross annual revenues up to five million dollars.

How would the definition of CD change and what impact would you expect?

Instead of the current four-pronged definition of CD, the agencies have

proposed expanding the definition to 11 elements. They incorporated significant explanations from the current Q&As. This is good news because the Q&As can be a bit difficult to navigate and some bankers may not have known about these other options. Adding these elements to the regulation is a positive step that increases transparency. They also added activities undertaken in Native Land Areas that benefit or serve residents, including low- and moderate-income (LMI) residents of Native Land Areas. Finally, they expanded financial literacy program qualification by specifying such activities would no longer be restricted to a primarily LMI audience.

Do you recommend banks take action while we await the final rule?

Yes. This is the time to get your ducks in a row so you can successfully navigate the changes when they come. Here are a few suggestions:

- Establish good policies and procedures to monitor performance and collect the current data
- Document CD activities
- Write a robust performance context
- Continue outreach activities
- Train relevant staff
- Monitor regulatory developments regarding 1071 and CRA

HOW CRAIX CAN HELP YOUR BANK AS WE LOOK TOWARD THE END OF 2023

The CCM Community Impact Bond Fund CRA Share Class (ticker: CRAIX) was launched in 1999 to help banks meet the investment test requirements of the CRA. The Fund is one of the nation's largest mutual funds for community development investments. Clients include nearly 400 banks nationwide — from large, national banks to local, community banks — with each bank shareholder receiving customized and extensive CRA reporting for their earmarked investments.

As we look toward the end of 2023, if your bank needs last minute CRA investments or is looking to diversify its CRA investment portfolio, please do not hesitate to reach out as the CCM Community Impact Bond Fund CRA Shares can be a great resource for filling urgent requests and providing diversification. The Fund's customized CRA reporting includes extensive documentation for every investment purchased and earmarked on a bank's behalf, noting the primary purpose is community development. More information on how CRAIX can help your bank with its CRA investments can be found [here](#).

We welcome the opportunity to speak with you about your bank's CRA investment needs. If you have any questions, please email Jamie Horwitz at jhorwitz@ccminvests.com.

Banks of all sizes invest in CRAIX for a variety of reasons:



Diversification: CRAIX is diversified geographically and by sector. The portfolio is a mix of high credit quality bonds across multiple sectors of the bond market that meet community development objectives.



CRA Reporting: Since 1999, we have provided banks with extensive CRA investment documentation and reporting on each investment earmarked to their institution along with new investor CRA letters and CRA investment summary letters.



Liquidity: CRAIX is an open-end, no-load mutual fund offering daily liquidity with no redemption fees.



CRA Expertise: We look to provide relevant thought leadership on the CRA as it relates to proposed changes and other rule updates including ongoing dialogue with examiners/regulators. Additionally, we are always available to support shareholders before, during, and after their CRA exams.



Hard-to-Find Areas: We are experts in finding CRA investments in hard-to-find AAs, often times where banks have difficulty finding on their own.



Monthly Dividends: CRAIX offers monthly dividends providing a regular income stream, which investors can choose to reinvest or receive in cash.



CRA INVESTMENTS WITH A FOCUS ON AFFORDABLE RENTAL HOUSING IN HIGH RENT CITIES

Impac Houses

Location: **New York, NY** | Sector: **Agency CMBS**

Impac Houses, located on 116th street in Harlem, is an affordable rental property for seniors in New York City (New York County). All 119 residential units receive Section 8 assistance. The property is in a majority-minority census tract where 79% of the population are minorities. Impac Houses offers studio and one-, two-, and three-bedroom apartments within walking distance to recreational areas, public transportation, pharmacies, medical centers, and grocery stores in the Harlem neighborhood of Manhattan. The property includes a six-story building, rehabilitated in 2010, and offers commercial space for senior services. The rehabilitation included upgrades to the units as well as energy-efficient improvements.

This property is a project of L+M Development Partners, a full-service real estate development firm that is responsible for over \$10 billion in development and investment, primarily in New York's tristate area. The company believes that affordable housing goes hand in hand with social responsibility and its community investment team works across every level of their business to carry out that mission. Over the period from 2011 to 2020, the company awarded \$17.5 million in grants, funded 169 grants, supported 92 non-profits, and served 45,550 community members through grant programming and outreach services. Impac Houses is a continuation of the company's commitment to Harlem and community investment.

Impact themes this investment helped support:

- Affordable Housing
- Environmental Sustainability
- Healthy Communities
- Minority Advancement
- Seniors, Veterans, and the Disabled
- Transit-Oriented Development

Walk,
Bike,
Transit
Scores³

Walk Score
96

Bike Score
83

Transit Score
100

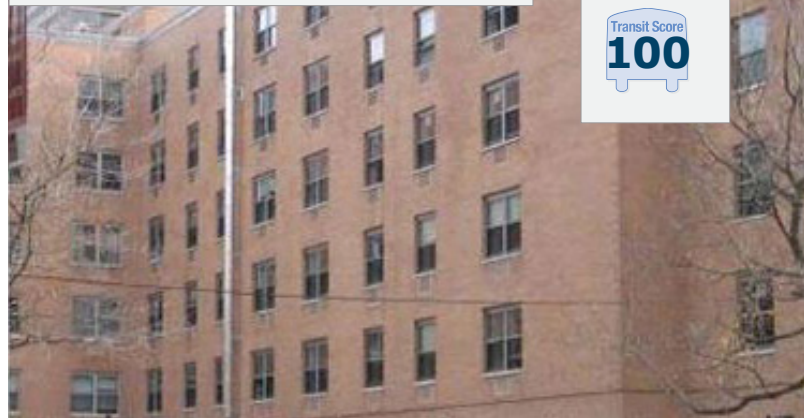


Image Source: <https://lmdevpartners.com/projects/>

Crescent Manor

Location: **San Francisco, CA** | Sector: **Agency CMBS**

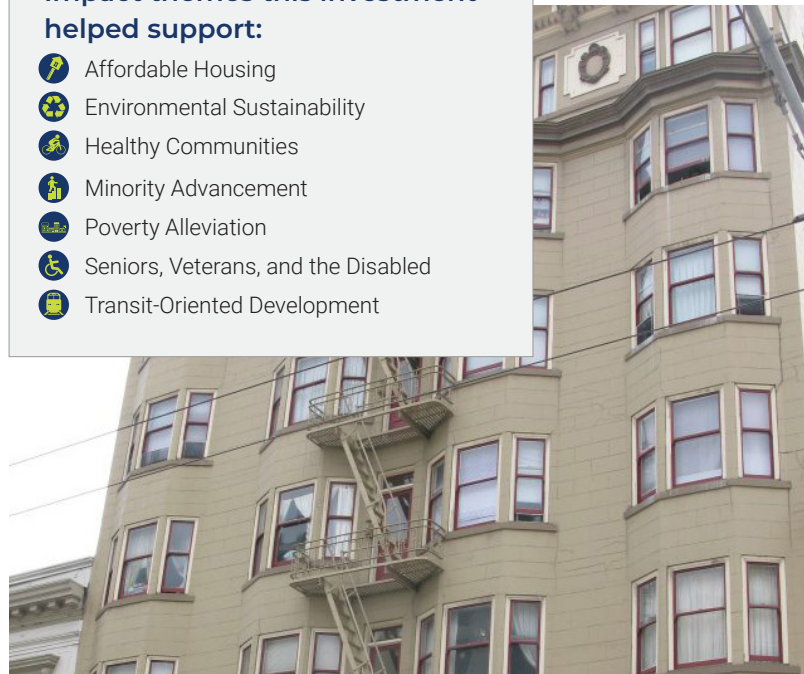
Crescent Manor is an affordable rental property for seniors in San Francisco, California, (San Francisco County) with 94 units. Of the 94 total units, 92 units receive Section 8 assistance. The property is in a low-income, majority-minority, high-poverty census tract where 77% of the population are minorities and 30% live below the poverty line.

Built in 1913, Crescent Manor is a seven-story, 24,000-square-foot residential building in the heart of San Francisco. The Civic Center Plaza is a quarter mile from Crescent Manor, which is a large, open plaza that contains many of San Francisco's largest government and cultural organizations. During the week, the plaza is a peaceful center for busy commuters and workers and a cultural hub during the weekend.

Image Source: <https://rcgsf.com/projects/crescent-manor-467-turk-st-san-francisco/>

Impact themes this investment helped support:

- Affordable Housing
- Environmental Sustainability
- Healthy Communities
- Minority Advancement
- Poverty Alleviation
- Seniors, Veterans, and the Disabled
- Transit-Oriented Development



The securities identified and described herein are for illustrative purposes only and their selection was based upon non-performance criteria, such as the security's social and/or environmental attributes. The investment that includes a loan to Impac Apartments and Crescent Manor represented 0.18% and 0.06%, respectively, of the CCM Community Impact Bond Fund's assets, as of June 30, 2023.

CRA INVESTMENT SURVEY 2023: 8TH ANNUAL EDITION

Our [8th annual CRA Investment Survey](#) is open! The survey should take no more than five to seven minutes to complete, and we very much appreciate your participation. The survey will be open until Friday, September 29. This year's survey includes questions on:

- Total qualified investments
- Types of CRA-qualified investments
- Geographic footprints
- Responsive CRA investments



VISIT [CCMINVESTS.COM](https://ccminvests.com) TO:

- ✓ Read [How CRAIX Can Help Your Bank with its CRA Investments](#)
- ✓ Complete our [8th Annual CRA Investing Survey](#)
- ✓ Watch our [CRA Video](#)

CCM COMMUNITY IMPACT BOND FUND HIGHLIGHTS

OVERALL

- Extensive documentation on each investment purchased
- New investments identified, purchased, and earmarked to a bank per CRA exam cycle
- Ongoing dialogue with examiners/regulators
- Easy way to accomplish your CRA investment goals

FINANCIAL

- Daily liquidity
- Monthly dividends
- Competitive financial performance
- Investing in high credit quality fixed income securities

Community Capital Management, LLC (CCM) is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the adviser. Past performance is not indicative of future results. CCM has distinct investment processes and procedures relating to the management of investment portfolios for institutional clients. The firm's strategies are customized, rather than model-based, and utilize an innovative approach to fixed income and equity by combining the positive outcomes of impact and environmental, social, and governance (ESG) investing with rigorous financial analysis, an inherent focus on risk management, and transparent research. Bonds are subject to interest rate risk and will decline in value as interest rates rise. Stocks will fluctuate in response to factors that may affect a single company, industry, sector, or the market as a whole and may perform worse than the market. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. A sustainable investment strategy that incorporates ESG criteria may result in lower or higher returns than an investment strategy that does not include such criteria. Impact figures mentioned are approximate values. Opinions, estimates, forecasts, and statements of market trends are based on current market conditions and are subject to change without notice.

The CCM Community Impact Bond Fund is distributed by SEI Investments Distribution Co. (SIDCO), which is not affiliated with Community Capital Management, LLC. Carefully consider the risks, investment objectives, and charges and expenses of the Fund before investing. This and other information can be found in the Fund's prospectus which can be obtained by calling 866-202-3573. Please read the prospectus carefully before investing.

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